



STATE REVENUE UPDATE

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Evolving Revenue Forecast During 2020

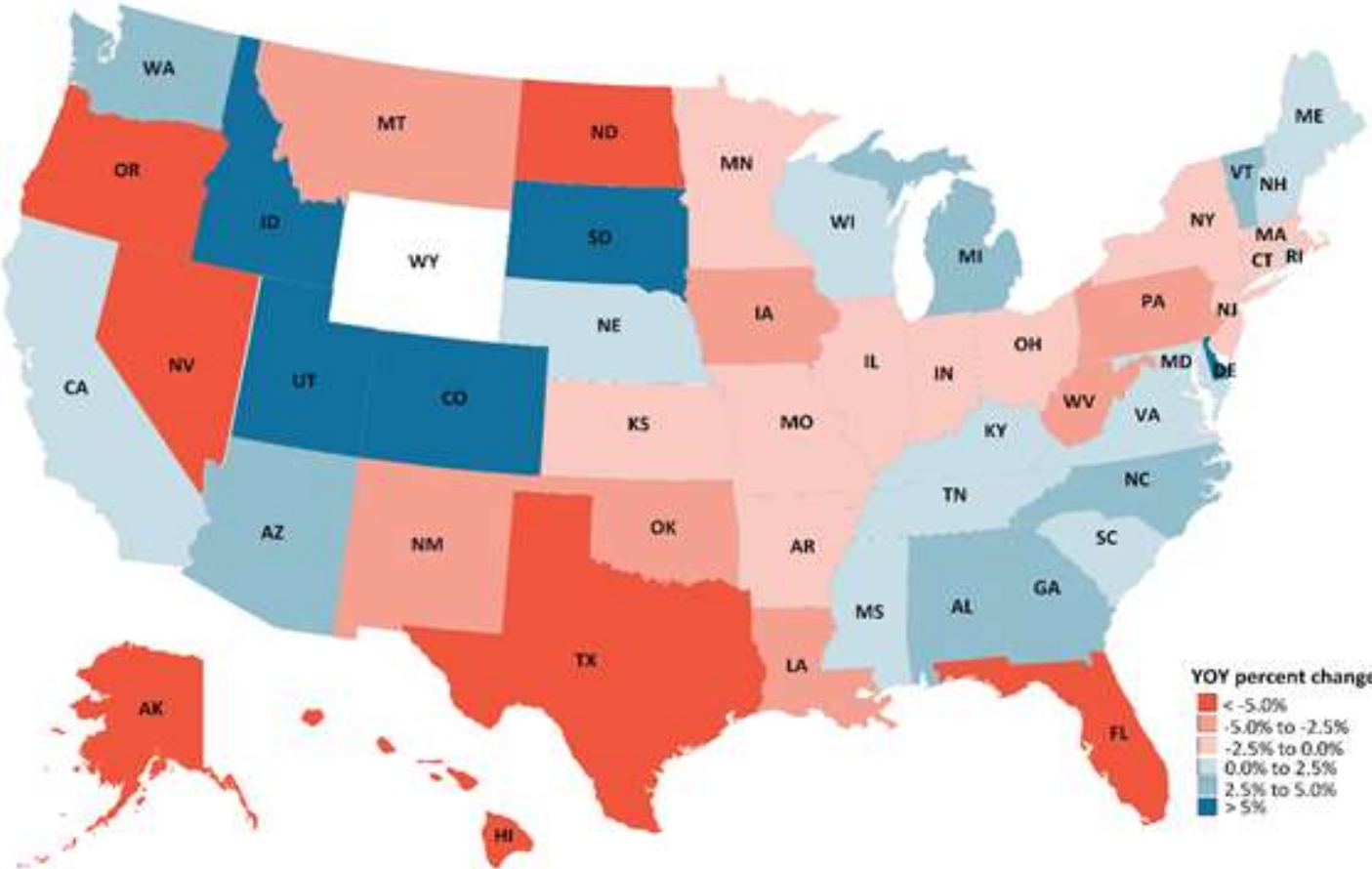
General Fund Summary

	FY20 Actual	FY21	FY22	FY23	FY24	FY25
March 2020 Forecast	\$3,969,343,702	\$4,070,279,515	\$4,174,531,432	\$4,317,597,709		
Annual % Growth	3.1%	2.5%	2.6%	3.4%		
Net Increase (Decrease)		(\$527,809,542)	(\$433,731,150)	(\$449,465,768)		
August 2020 Forecast	\$3,969,343,702	\$3,542,469,974	\$3,740,800,282	\$3,868,131,941		
Annual % Growth	3.1%	-10.8%	5.6%	3.4%		
Net Increase (Decrease)		\$272,806,942	\$231,967,435	\$255,473,700		
December 2020 Forecast	\$3,969,343,702	\$3,815,276,916	\$3,972,767,717	\$4,123,605,641	\$4,276,170,128	\$4,431,148,462
Annual % Growth	3.1%	-3.9%	4.1%	3.8%	3.7%	3.6%



State Revenue YOY Growth March-January

March 2020 - January 2021 vs March 2019 - January 2020, percent change



Notes: Data for Nevada and South Dakota is through December, data for New Mexico is through November, and data for Wyoming is missing.



February GF Revenue Relative to Budget

Exhibit I

STATE OF MAINE

Undedicated Revenues - General Fund
For the Eighth Month Ended February 28, 2021
For the Fiscal Year Ending June 30, 2021
Comparison to Budget

PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date				Total Budgeted Fiscal Year Ending 6/30/2021
	Actual	Budget	Variance Over(Under)	Percent Over(Under)	Actual	Budget	Variance Over(Under)	Percent Over(Under)	
Sales and Use Tax	\$ 121,385,019	\$ 97,086,296	\$ 24,298,723	25.0 %	\$ 1,178,122,133	\$ 1,120,264,118	\$ 57,858,015	5.2 %	\$ 1,592,262,678
Service Provider Tax	4,052,668	4,658,874	(606,206)	(13.0)%	35,783,151	37,234,205	(1,451,144)	(3.9)%	56,562,000
Individual Income Tax	143,545,016	28,537,269	115,007,747	403.0 %	1,323,885,381	1,117,778,802	206,106,579	18.4 %	1,695,661,248
Corporate Income Tax	2,120,717	3,000,000	(879,283)	(29.3)%	134,802,958	111,359,472	23,443,486	21.1 %	202,855,002
Cigarette and Tobacco Tax	7,510,895	9,644,357	(2,133,462)	(22.1)%	93,871,151	95,729,836	(1,858,685)	(1.9)%	144,401,400
Insurance Companies Tax	1,445,360	1,029,616	415,744	40.4 %	16,147,832	15,791,361	356,471	2.3 %	84,400,000
Estate Tax	1,550,979	710,000	840,979	118.4 %	16,948,761	15,180,811	1,767,950	11.6 %	18,050,000
Fines, Forfeits & Penalties	640,807	504,900	144,907	28.7 %	5,174,634	5,787,348	(612,714)	(10.6)%	9,387,746
Income from Investments	617,462	641,359	(23,897)	(3.7)%	3,500,168	3,386,385	122,783	3.6 %	5,383,431
Transfer from Lottery Commission	4,697,925	4,990,265	(292,340)	(5.9)%	40,301,893	41,003,279	(8,298,614)	20.2 %	60,000,000
Transfers for Tax Relief Programs	(3,567,107)	(4,720,999)	1,153,892	24.4 %	(70,712,092)	(66,713,383)	(3,998,709)	(6.0)%	(75,667,000)
Transfer to Municipal Revenue Sharing	(16,384,232)	(13,025,008)	(3,359,224)	(25.8)%	(103,170,536)	(97,625,189)	(5,545,347)	(5.7)%	(137,566,408)
Other Taxes and Fees	10,112,113	9,549,088	563,025	5.9 %	92,256,199	90,890,499	1,365,700	1.5 %	144,027,645
Other Revenues	2,515,812	2,836,910	(321,098)	(11.3)%	(4,739,548)	(6,042,003)	1,302,455	21.6 %	15,519,173
Total Collected	\$ 280,252,434	\$ 145,442,027	\$ 134,809,507	92.7 %	\$ 2,771,181,086	\$ 2,484,025,631	\$ 287,155,455	11.6 %	\$ 3,815,276,915

NOTES:

- (1) Included in the above is \$16,384,232 for the month and \$103,170,536 year to date, that was set aside for Revenue Sharing with cities and towns.
- (2) Figures reflect estimates of the Maine State Revenue Forecasting Committee approved in December 2020, laws enacted through the end of the 130th Legislature, 1st Regular Session for all laws and any emergency laws.
- (3) The Fiscal Year to Date figures above include adjustments of (\$257,992,054) for Individual Income Tax and (\$46,788,400) for Corporate Income Tax to reflect the reversal of amounts accrued in April and June for which collections were deferred until July 15th in response to the COVID-19 pandemic.
- (4) This report has been prepared from preliminary month end figures and is subject to change.



February GF Revenue Relative to Prior Year

Exhibit II

STATE OF MAINE

Undedicated Revenues - General Fund

For the Eighth Month Ended February 28, 2021 and 2020

For the Fiscal Year Ending June 30, 2021 and 2020

Comparison to To Prior Year

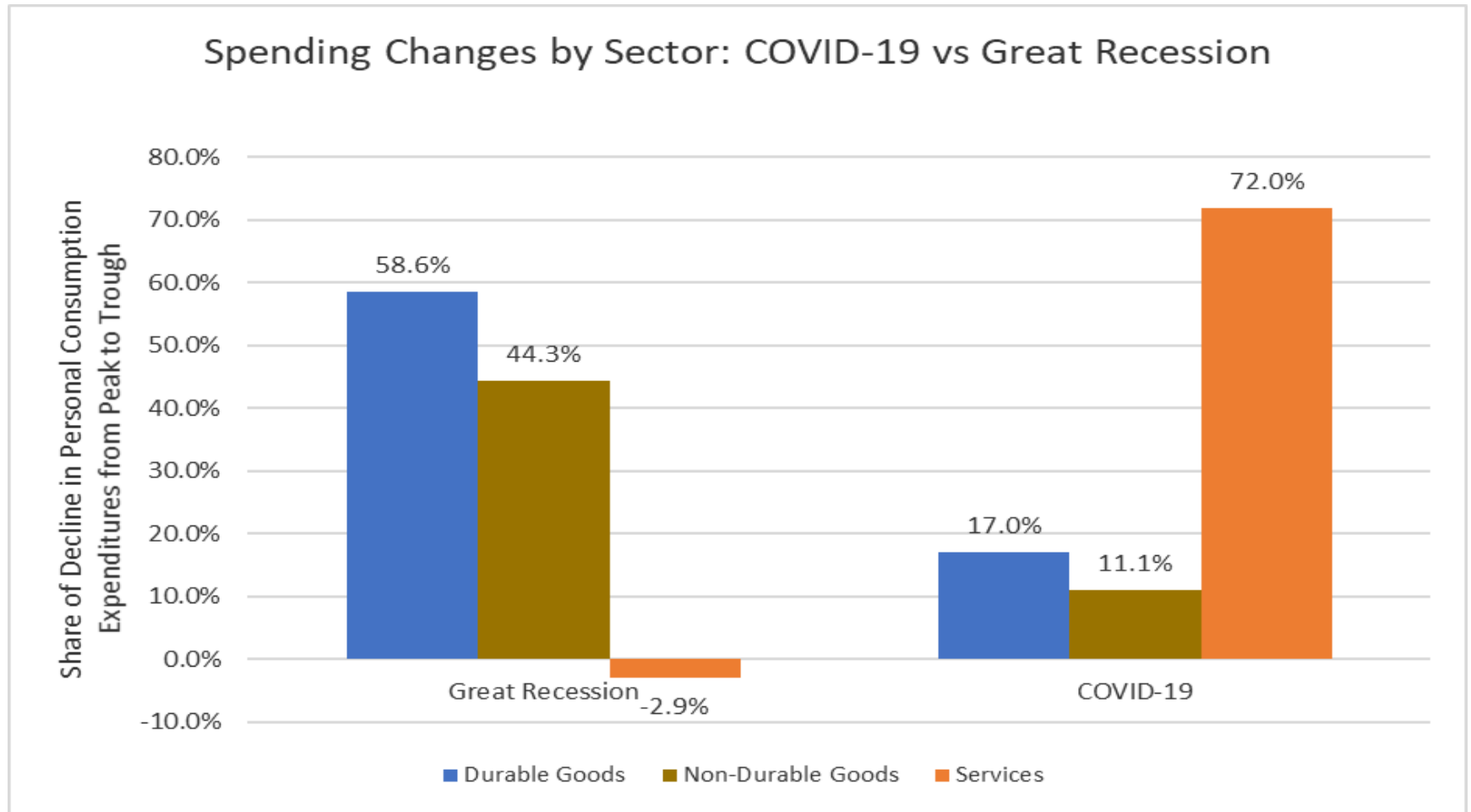
PRELIMINARY AND TENTATIVE FOR VERIFICATION PURPOSES & INTERNAL USE ONLY

	Month				Fiscal Year to Date			
	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)	Current Year	Prior Year	Variance Over(Under)	Percent Over(Under)
	Sales and Use Tax	\$ 121,385,019	\$ 105,963,443	\$ 15,421,576	14.6 %	\$ 1,178,122,133	\$ 1,130,730,090	\$ 47,392,043
Service Provider Tax	4,052,668	4,625,621	(572,953)	(12.4)%	35,783,151	38,525,513	(2,742,362)	(7.1)%
Individual Income Tax	143,545,016	38,541,408	105,003,609	272.4 %	1,323,885,381	1,140,396,815	183,488,566	16.1 %
Corporate Income Tax	2,120,717	5,852,160	(3,731,443)	(63.8)%	134,802,958	123,103,544	11,699,414	9.5 %
Cigarette and Tobacco Tax	7,510,895	7,383,031	127,865	1.7 %	93,871,151	88,834,810	5,036,341	5.7 %
Insurance Companies Tax	1,445,360	1,071,158	374,202	34.9 %	16,147,832	14,983,119	1,164,713	7.8 %
Estate Tax	1,550,979	2,669,910	(1,118,932)	(41.9)%	16,948,761	19,460,579	(2,511,818)	(12.9)%
Fines, Forfeits & Penalties	640,807	620,240	29,567	4.8 %	5,174,634	7,651,034	(2,476,400)	(32.4)%
Income from Investments	617,462	1,162,349	(544,887)	(46.9)%	3,509,168	8,580,094	(5,070,926)	(59.1)%
Transfer from Lottery Commission	4,697,925	6,410,407	(1,712,482)	(26.7)%	49,301,893	43,196,900	6,104,993	14.1 %
Transfers for Tax Relief Programs	(3,567,107)	(12,592,398)	9,025,291	71.7 %	(70,712,092)	(65,153,409)	(5,558,683)	(8.5)%
Transfer to Municipal Revenue Sharing	(16,384,232)	(11,934,556)	(4,449,677)	(37.3)%	(103,170,536)	(78,463,387)	(24,707,150)	(31.5)%
Other Taxes and Fees	10,112,113	6,309,866	3,802,246	60.3 %	92,256,199	84,592,758	7,663,441	9.1 %
Other Revenues	2,515,812	3,759,625	(1,243,813)	(33.1)%	(4,739,548)	(1,456,133)	(3,283,415)	(225.5)%
Total Collected	\$ 280,252,434	\$ 159,842,263	\$ 120,410,170	75.3 %	\$ 1,771,181,086	\$ 1,554,982,327	\$ 216,198,759	8.5 %

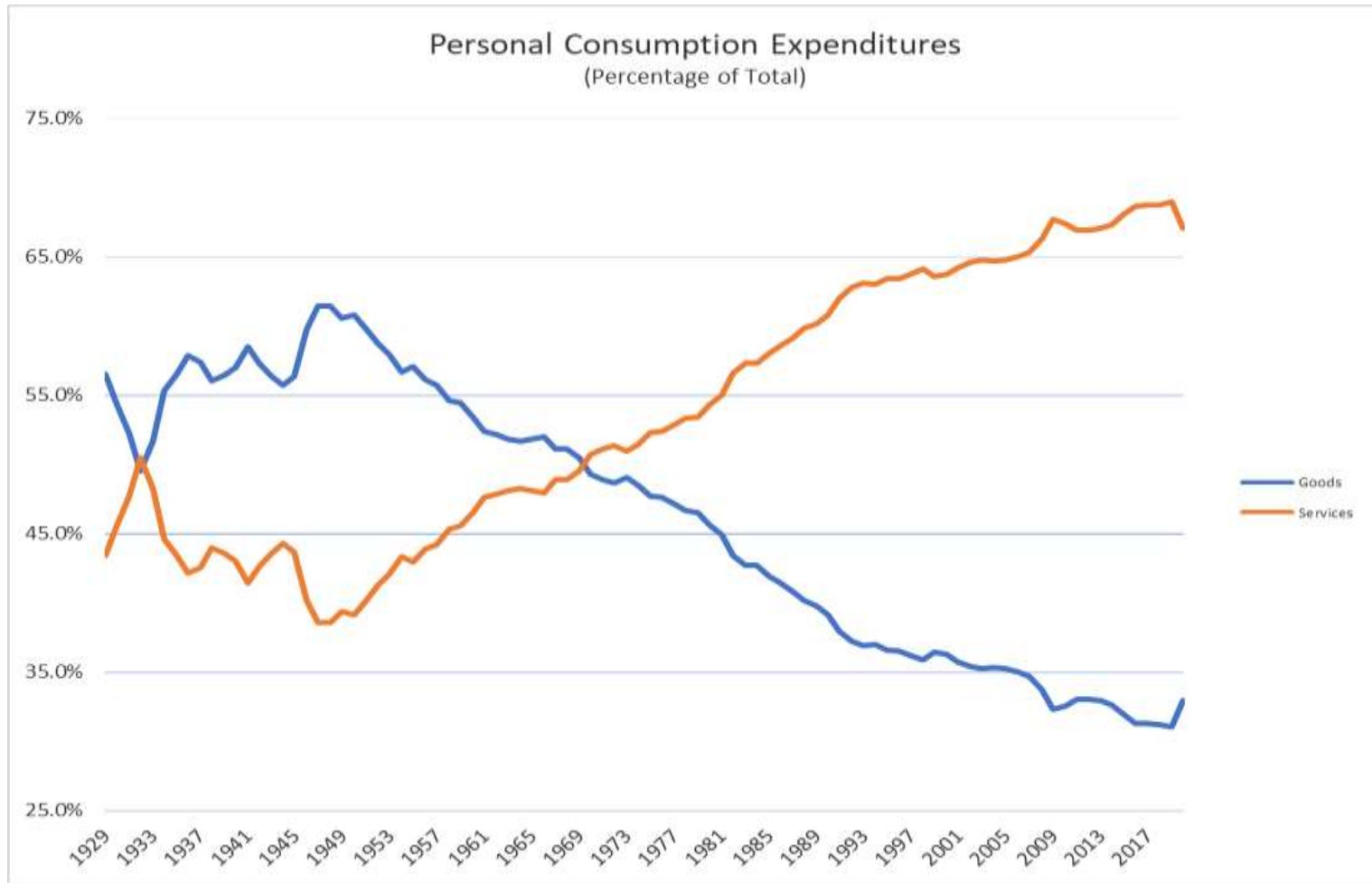
NOTE: This report has been prepared from preliminary month end figures and is subject to change.



Service Sector Hit the Hardest



Maine Sales Tax Remains Goods Based



Sales & Use Tax Forecast

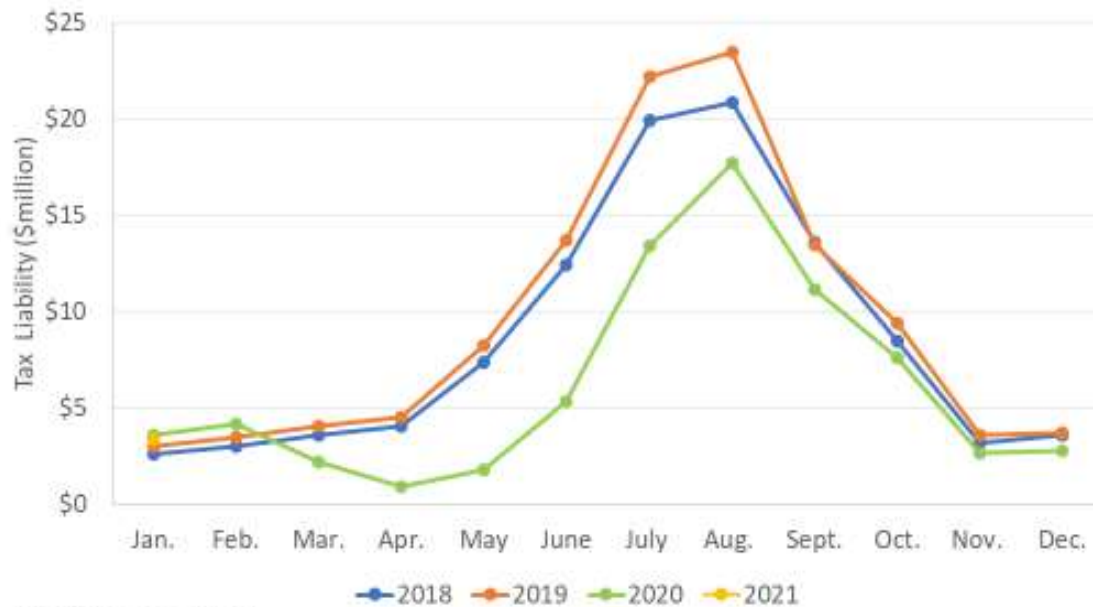
Calendar Year Taxable Sales Summary

	Taxable Sales (\$million)			Annual Growth	
	2018	2019	2020	2019	2020
5.5% Sales	\$19,670	\$20,937	\$23,398	6.4%	11.8%
>5.5% Sales	\$4,500	\$4,754	\$3,510	5.6%	-26.2%
Total, All Sales	\$24,170	\$25,692	\$26,908	6.3%	4.7%
Estimate if 12 months of marketplace collections in 2019:					
Total, All Sales		\$26,133	\$26,908		3.0%



Lodging Sales Rebound Over Summer

Rental of Lodging Sales Tax



CY 2019 liability = \$112.3 million

Share of total CY 2019 sales & use tax = 7.3%

CY 2019 Share of Taxable Sales by Quarter:

1	9.3%
2	23.4%
3	52.5%
4	14.8%

YoY Growth, 2020

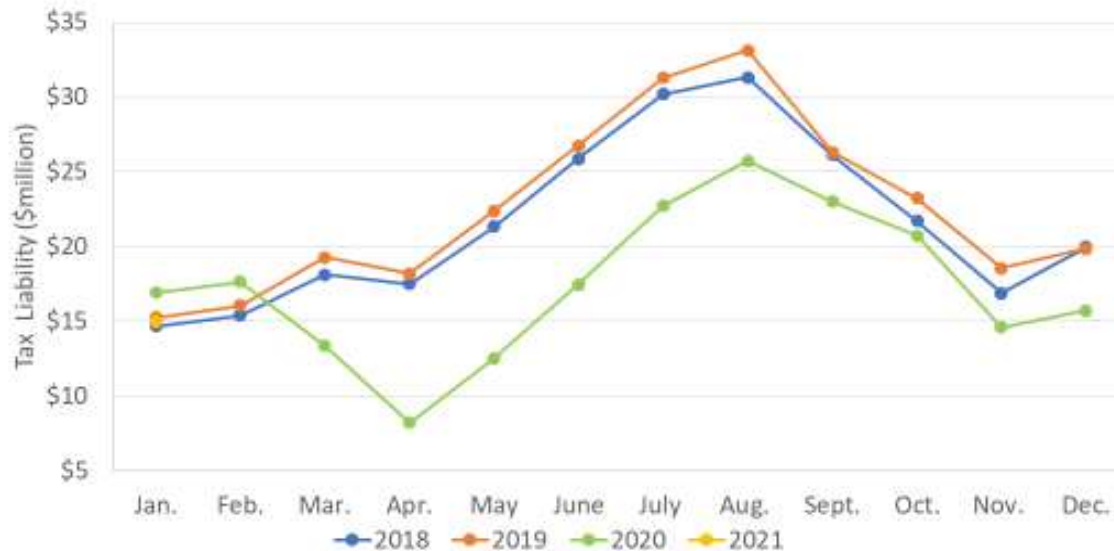
July 19 – Feb. 20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	Nov. 20 – Jan 21
9.9%	-71.0%	-47.8%	-21.9%	-21.5%	-25.6%	-7.7%	-19.9%



Prepared Food Sales – Restaurant Sales

Prepared Foods Sales Tax

Includes sales at both restaurants and food stores



CY 2019 liability = \$269.4 million

Share of total CY 2019 sales & use tax = 17.5%

CY 2019 Share of Taxable Sales by Quarter:

1	18.7%
2	24.9%
3	33.6%
4	22.8%

YoY Growth, 2020

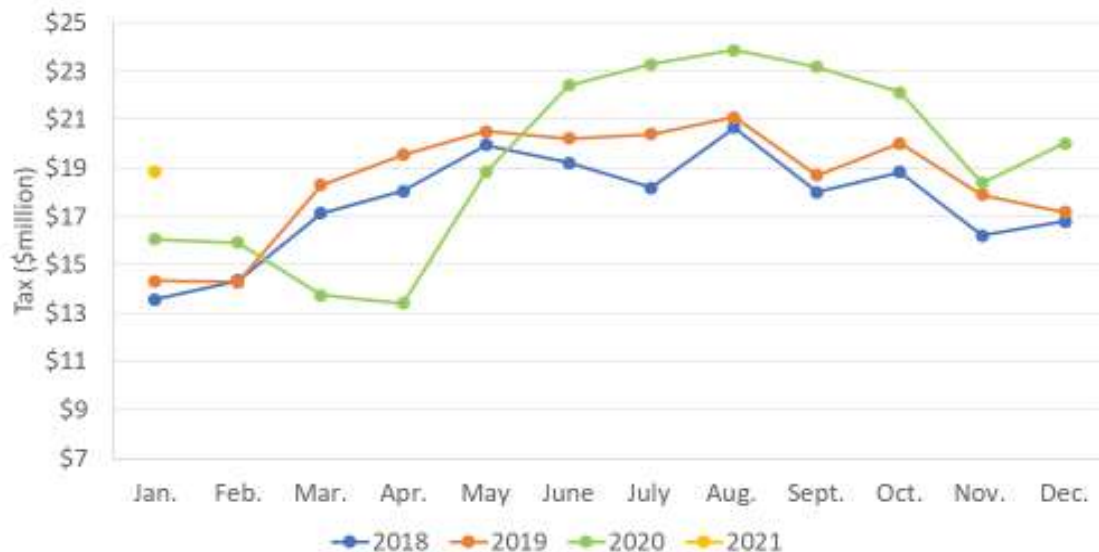
July 19 – Feb. 20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	Nov. 20 – Jan 21
5.4%	-43.1%	-30.8%	-18.0%	-15.5%	-20.8%	-11.7%	-18.2%



Automobile Sales Rebound

Auto Dealer & Lease Sales Tax

Includes use tax paid on auto sales



CY 2019 liability = \$222.5 million

Share of total CY 2019 sales & use tax = 14.5%

CY 2019 Share of Taxable Sales by Quarter:

1	21.1%
2	27.1%
3	27.0%
4	24.8%

YoY Growth

July 19 – Feb. 20	Mar. – May 20	June – July 20	Aug. – Sept. 20	Oct. – Nov. 20	December 20	January 21	Nov. 20 – Jan 21
7.3%	-21.2%	12.5%	18.3%	6.8%	16.5%	17.4%	12.0%



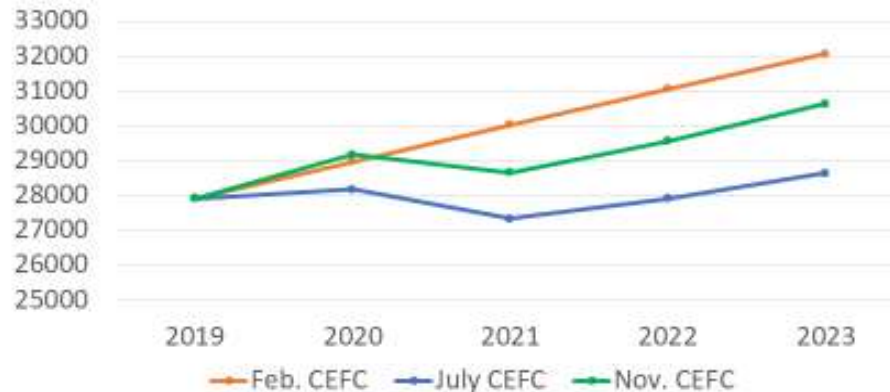
2020 Withholding and Estimated Payments

- TY20 withholding growth was 8.5%, approximately 4.6% without UI withholding.
- TY21:1 withholding growth currently 7.8% YOY and will increase over next two deposit days.
- TY20 individual estimated payments increased 17.6%, the strongest growth since TY12 (18.4%)
- Final estimated payment (Dec/Jan) was up 40.5%; third highest in the nation according to UI-TPC
- FY21 supplemental budget estimated to reduce individual income tax receipts by \$113M
- PPP and UI exemption represent most of that reduction. Due date now May 17th



W&S Forecast and UI Benefits Help Forecast

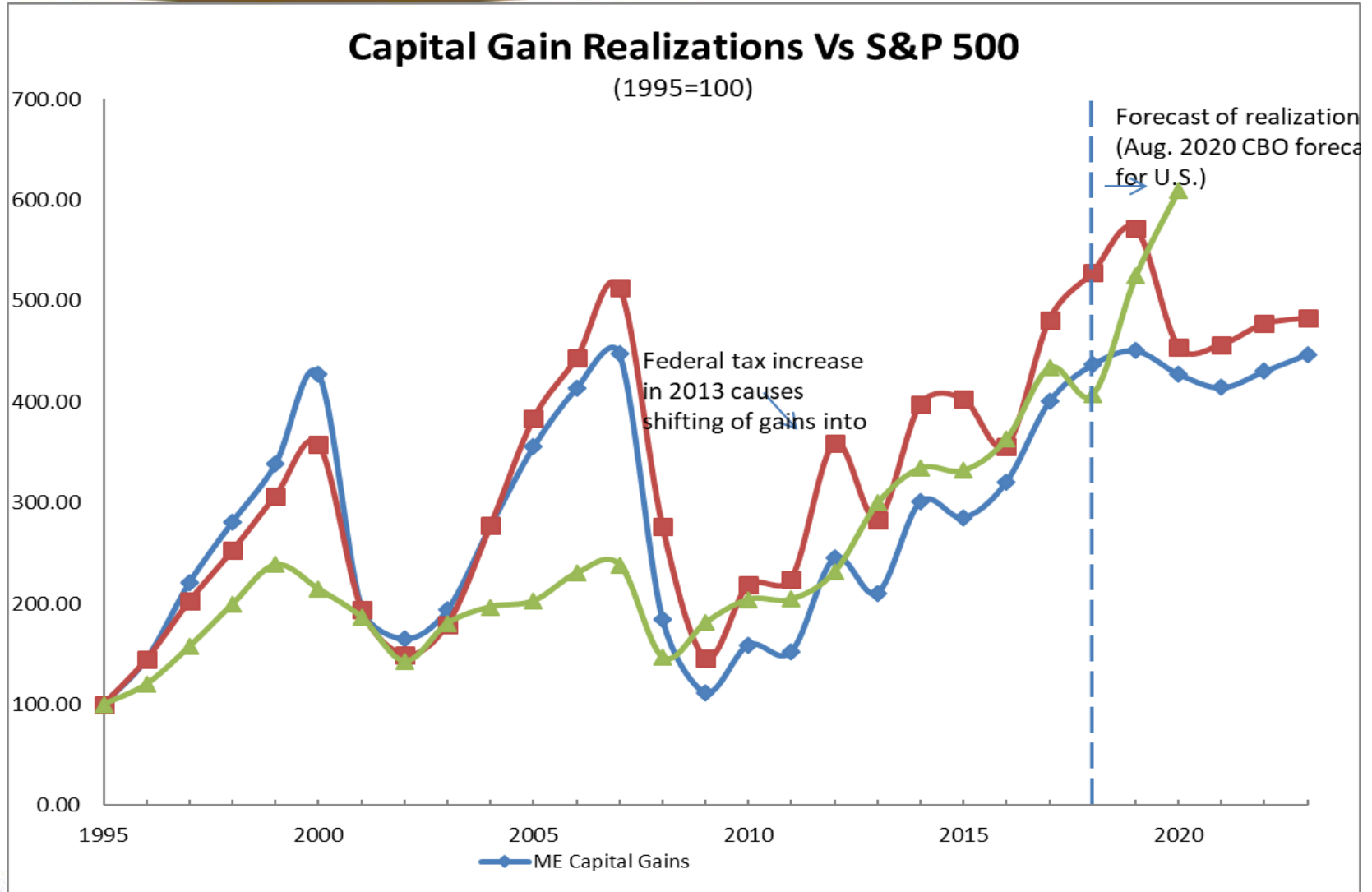
Individual Income Tax: Resident 1040 Wages + Unemployment Insurance Income (\$million)



	2020	2021	2022	2023
June wages relative to Feb.	-8.7%	-10.2%	-10.5%	-10.7%
July wages + UI relative to Feb.	-2.7%	-9%	-10.1%	-10.6%
Nov. wages + UI relative to Feb.	.7%	-4.6%	-4.8%	-4.5%
Nov. wages + UI relative to July	3.5%	4.8%	5.9%	6.9%



Stock Market Points to Strong Capital Gains



What We're Watching for May Forecast

- December and ARP21 Stimulus Packages → April 1st CEFC Forecast
- Vaccine Roll Out and Effectiveness
- Remote Work and Migration to ME
- Summer Tourism Season
- Online Sales – Does Goods Sector Remain Strong?

